



SUCCESS STORY

VAT Tax Filings: Now Just One-Click Away

E-filing reduces costs and makes information more readily accessible for Albanian businesses.



Accountants from large business taxpayers participate in e-tax training at the TSRC in Tirana. PHOTO – CHEMONICS INTERNATIONAL

The two-year \$13.85 million Millennium Challenge Albania Threshold Agreement between the Government of Albania (GoA) and Millennium Challenge Corporation (www.mcc.gov), administered by USAID, assists the GoA to reform and modernize tax administration, public procurement, and business registration, through IT solutions and legislative enhancements.

U.S. Agency for International Development
www.usaid.gov

Elida Miti, an energetic young woman who exudes confidence, comes out hurriedly from an e-tax training session at the new Taxpayer Service Center (TSC) in Tirana. Both the Center and the training activities have been provided with the support of the Millennium Challenge Albania Threshold Project, and they lie at the heart of the Project's goal to support the development of e-tax and e-governance within Albania.

It's the 14th, the deadline for filing Albania's monthly Value Added Tax (VAT) declaration, and Elida might normally be in a panic to file her company's declaration and payment before the end of the day. Traditionally, Albania's monthly VAT filings have been a cumbersome process, sometimes requiring the taxpayers to wait for several hours for the tax inspector to see them in order to obtain the form. But not this year. Downloading the tax forms and e-filing the VAT returns have now changed the dynamics.

So Elida came to the TRSC not in a frenzied rush to file VAT, but to learn about e-filing options for other taxes, such as social security, health contributions, and the employment income tax, which had all been introduced on the website of the Albanian General Directorate of Taxation (GDT), at www.tatime.gov.al.

The electronic tax services have certainly made Elida's life as an accountant easier. Less running around to get the tax forms and the system is certainly user-friendly. So, of course, she will continue to e-file, she declares with an obvious emphasis on 'of course' as if to indicate that any other way makes little sense.

Elida is hardly alone in this sentiment. E-filing and e-payment have been available to large businesses in Albania since the opening of the TSC in October 2007, and businesses have proven highly receptive to conducting tax procedures online, with almost no attrition among users.

Little wonder why. The e-tax system is simple, transparent, and one click away. Further, the system significantly reduces contact between businesses and tax officials, resulting in fewer opportunities for bribery, less arbitrariness in tax collection, and more efficient tax management. Overall, the e-tax system reduces costs for businesses while providing more accessible information.

This valuable e-tax service is even now being expanded to business profits taxes for large taxpayers. Soon, all businesses will have this dynamic new opportunity and for all taxes.

The conversation on e-filing with Elida continues as she engages in a discussion about additional functionalities of the system. As they say, you can never have enough of a good thing.

Millennium Challenge Albania Threshold Agreement

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